



Process Name: Budget Control	Process Identifier: BC
Sub-Process Name: Budget Adjustments	Sub-Process Identifier: BC-01
Sub-Process Purpose and Objectives: Adjust budgets to control spending	
Sub-Process Description: <p>Appropriation: The budget control process begins with the recording of the original budget. Transactions will be validated against the budget to determine if the transaction can post. The calculation to determine available budget is original budget +/- budget adjustments + actual departmental revenue (up to the limit of budgeted departmental revenue) – impoundments - pre-encumbrances – encumbrances – expenditures. This calculation is done at a category level (category 1 -payroll and benefits and category 2 –other budgeted expenditures).</p> <p>If the Department of Transportation determines a need for a revision to the agency budget, the agency will key the transaction in Edison in pending status, workflow would route this transaction to the budget analyst for review and approval. All other agencies will send their budget analyst an email or letter to initiate the request. The analyst would have to research the authority and obtain any required approvals. All budgetary revisions require the Budget Division’s approval; these would include moving appropriations between object codes in the same division. Budget revisions can be made for reorganizations between divisions of a department with authorizing language in the Appropriations Bill and the approval of the Commissioner of Finance and Administration. If the transfer of budgetary authority between divisions is contrary to the appropriations bill, the transfer is subject to approval by the Commissioner of Finance and Administration and at least two of the following: Speaker of the Senate, Speaker of the House, and Comptroller.</p> <p>Revisions can also be processed to authorize the expenditure of budgetary reserves with the approval of the Commissioner of the Department of Finance and Administration and to transfer budgetary authority from one department to another (this is very limited) provided this authority is granted in the Appropriations Bill, generally this must be approved by the Commissioner of Finance and Administration.</p> <p>Revenue Budget: The revenue budget also begins with the recording of the original budget. Departmental revenue recognized is not limited by the amount in the budget, but rather the amount of departmental revenue that increases an agency’s budget is limited to the amount of estimated departmental revenue in the budget. The agency’s budget can be expanded by the Budget Division with authorizing authority in the Appropriations Bill and in certain cases expansions containing the approval of the House and Senate Finance Committee Chairmen.</p>	

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<p>Sub-Process Description (continued):</p> <p>Spending Plan: The spending plan budget is the budget tool that agencies can use to control spending at a lower level of detail. This spending plan is controlled and managed by the agency and is independent of the Appropriation Budget. With adequate control to insure that only the spending plan itself is being processed, an individual at the agency will create the adjustment in a pending status. The proposed change will be routed to the appropriate person to approve or deny the adjustment.</p> <p>Grant Budget: The grant budget is the budget tool that agencies can use to control spending at a grant level. The grant budget is controlled and managed by the agency and is independent of the Appropriation Budget. With adequate control to insure that only the grant budget itself is being processed, an individual at the agency will create the adjustment in a pending status. The proposed change will be routed to the appropriate person within the agency to approve or deny the adjustment.</p> <p>Project Budget: The project budget is the budget tool that agencies use to control spending at a project level. The project budget is independent of the Appropriation Budget. Project budgets in fund 15 (system development) and fund 31 (capital projects) are entered by the agency and approved by the Budget Division. Bond Finance contracts are approved by the Budget Division, but the Budget Division does not approve their project budget. The project budgets for Transportation are not approved by the Budget Division. The budget for Funds 15 and 31 not only control expenditures, but track expenditures against the various bond bills by public act and chapter.</p>			
<p>Sub-Process Trigger(s):</p> <ul style="list-style-type: none"> Receipt of new source of funding Agency overspending Budget Desire to establish spending plan Desire to establish grant budget Desire to control spending at project level 		<p>Key Sub-Process Participants:</p> <ul style="list-style-type: none"> Division of Accounts Agencies Budget Division 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Budget Revision	Electronic	5 per month	Agencies
Outputs:			

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Output	Format	Volume/Time	Recipients
Budget established or amended	Electronic	5 per month	Agencies
Performance Measures Tracked:			
Measure		Current Value	Target Value
Agencies not allowed to overspend		None	none
Law, Policy, or Statute Site That Govern Sub-Process:			
Law, Policy, or Statute			Change Required (Yes/No)?
TCA 4-3-1006			
Key Assumptions:			
<ul style="list-style-type: none"> Revenue transactions will be recorded in a timely fashion. Grants revenue will be recognized as expenditures are incurred. 			
Improvements:			
<ul style="list-style-type: none"> Agency spending is more closely tied to actual departmental revenue 			
Change Management Concerns:		Communication Actions:	
<ul style="list-style-type: none"> Resistance from agencies on the change involving revenue appropriations. 		<ul style="list-style-type: none"> Agencies must be notified of integration points involving expenditures, grants, and appropriated budget. 	
Eliminated Non-Core Systems:			
<ul style="list-style-type: none"> None 			